

Background Conference Call
Conclusion of Informal FTAA Minister Dialogue
Wye River, Maryland
June 13, 2003

U.S. Trade Official: Thank you Ricardo and thank all of you for joining us, I know that it is late on a Friday. First of all just to reiterate, this was an informal meeting of the Ministers that Ambassador Zoellick was hosting. In a lot of ways it's like the informal ministerial meetings that have been held in the WTO process, which means that there are no decisions that are made, no formerly agreed conclusions or no communicate because by definition in the FTAA decisions are only made by a consensus of the 34 countries. This meeting included fourteen Ministers and the president of the interamerican development bank Enrique Iglesias.

The idea of this informal meeting was, first and foremost, to get a number of the Ministers involved in the process of preparing for the Miami summit, get them involved at an early stage. To have this personal interaction at this stage makes it easier to resolve difficult issues later in the process and I think the main topic of the meeting was for the Ministers to share directly with each other their views of the context in which these negotiations are taking place, which is to say what are the political, and financial, and economic, and social contexts in their own countries and in the region that they have to cope with in putting together this FTAA. That is extremely important for them to be able to understand from each other what is possible and what is achievable.

One of the things that was most impressive was that they all reiterated their commitment to completing the FTAA in the time frame that has been set by the leaders, which is January 2005 and the other thing that is striking is the commitment to hemispheric integration. One of the contexts, of course, of the negotiations, one of the background elements is that all of us, all of the countries, are negotiating other bilateral free trade areas or subregional integration at the same time we're doing the FTAA. And I think some people outside perhaps wonder, well does this mean that the countries are abandoning the FTAA? What was very clear is that countries, while they value these bilateral free trade areas, what they really want is something that will be a single zone of free trade; where its not just free trade between the U.S. and Chile, and between Canada and Costa Rica, and between the United States and the NAFTA partners, but there is trade moving between Colombia and Chile and between the different Central American countries and the Andean countries and throughout the hemisphere. So that is a very important thing that came out of this meeting. Also they talked, of course, about the existence, the simultaneous existence of the WTO negotiations and the interplay between those sets of negotiations.

There also was an extensive discussion about what I would call outreach. The fact that we need to be communicating with parliamentarians and legislatures who will, of course, ultimately have the word on whether this agreement is accepted in each of our countries. And particularly with the public, and it was recognized that there is a difficulty in relating the very technical issues of this kind of a negotiation to the things that are of a concern to the public. And so there is a period where Ministers were sharing with each other the various techniques they use, the various structures they use domestically to communicate with the public and basically share best ideas.

There is a sense that their needs to be more openness in the process and there is discussion of that and also the linkage of the process to the activities in the Summit of the Americas.

There was a very thorough and interesting discussion of transitions the countries will face as they try to implement these agreements and this is one of the reasons, of course, to have Enrique Iglesias, the president of the Inter-American Development Bank there, and he actually lead this discussion. It was a very wide ranging discussion talking about the macroeconomic adjustments that would be needed, how to address the needs to increase competitiveness and productivity in these countries, and even discuss infrastructure needs that countries have in order to be able to really take advantage of these openings. There even was a discussion of the intersection of trade and financial policies. So, it was a very wide ranging discussion, there was also discussion, I should say, about dealing with the differences in levels of development both in terms of the kinds of special and differential treatment that will be needed in the negotiations and then also quite a bit of discussion about this hemispheric cooperation program that supports technical assistance for countries to build up their capacity to negotiate and to implement agreements.

They had a dinner last night which was Minister only and then today there was a very full day that just ended a few minutes ago covering the subjects that I just described for you. If you would like I could tell you the names of the countries that were present, they were of course the United States as the host, Brazil was our co chair, and then Argentina, Canada, Chile, Colombia, the Dominican Republic, El Salvador, Jamaica, Mexico, Panama, Peru, Trinidad and Tobago, Uruguay, and as I said the presence of the Inter-American Development Bank. All of these countries were represented by their Ministers. So those are my opening remarks, I would be happy to answer any questions that you have.

Ricardo Reyes : If you are joining us a little bit late I would like to stress again that XX is speaking on background as a senior US trade official, If there are any questions we will take them now.

Q: Jose Samorano of the Mexican News Agency:

I would like to know if there was any discussion about the possibility that Venezuela excludes itself from the process and how this might have an implication on the full idea and integration within the FTAA?

Senior U.S. Trade Official:

There was not a formal discussion of that subject obviously there were some people that noted Venezuela's position but there was not a discussion of that topic.

Q: Could you elaborate as to what you see as the possible implication for the administrative integration of Venezuela besides excluding itself from the process?

Senior U.S. Trade Official:

Each country in this process is here purely voluntarily and at the end of the day, each country is going to make its own analysis, its own evaluation of whether the agreement has enough in it for that country that it will join and so that's true for every country. Obviously

Venezuela has some concerns now that are skeptical about it but ultimately it will be up to them to decide if they want to be part of it.

Q: Pablo Sotero from O Estado, before the meeting, Brazilian Foreign Minister said that there was a discussion about the ambition of the agreement in order sustain the January deadline it will probably need to be less ambitious about what can be achieved. What can you tell about that?

Senior U.S. Trade Official:

Well I think that there was certainly a very frank and candid discussion among the Ministers about where they feel we are now in comparison to where we would need to be by January of 2005. People did not get into details on that, but people shared with each other what level of ambition they feel is achievable and is desirable and those positions have been known for quite some time so there was a sharing of views but certainly there was no conclusion drawn from that. That's not the purpose for this type of meeting. It's basically for Ministers to listen to each other and then they each go back and evaluate what they have heard from their colleagues.

Pablo Sotero:

What do you make of their constraint that when they described their social and basic economic context. We know that they face very difficult context. What came out of that discussion?

Senior U.S. Trade Official:

Could you repeat the first part of the question, who you are referring to about? Among all the Ministers?

Pablo Solero:

Yea, because we know that in the United States for instance, you don't have much room in certain areas to negotiate, we know that the FTAA is viewed as a very unpopular thing in Brazil. We know that other countries have different levels of enthusiasm about this, so what can you tell us about the context that you must work to, initially?

Senior U.S. Trade Official:

Well what I'm saying is that there were fourteen Ministers here and they each talked about their contexts. For example, including the political situation and the degree of support in the country, what are the priorities of their administration. For example, minister Amorim explained to people the priorities that the Lula DeSilva administration has. Others did the same and so its not meant to draw a conclusion, but each Minister is there listening very intently to thirteen counterparts and then have to go back and kind of evaluate all of this information. I thought people were quite objective about this situation and quite candid which they can be when they are in a Ministers-only situation.

Q: Corey Henry from Inside US trade, I understand your point that there was no conclusions or agreements or communicates made here, but I wonder if you could tell us if there was a consensus possibly forming at this meeting that the FTAA would have to be slightly less ambitious in order to meet the 2005 deadline.

Senior U.S. Trade Official:

No I don't think that we can say that there was a consensus drawn at this meeting and the other thing that I really want to emphasize is, all the Ministers said that these sorts of issues need to be discussed further but with the other members of the negotiation and so we will continue to discuss these topics certainly at the next TNC when we have all 34 there and in other meetings. It is possible that Ambassador Zoellick will host another informal meeting between now and the Miami ministerial. It might not include exactly the same group of Ministers as he had today, that's kind of the nature of these events.

Q: This is Dolia Estoro with El Financiero, I have a clarification and a question. First you refer to the Miami meeting but there are also plans for a summit, a special summit of the Americas in Mexico in the winter and my understanding is that the special summit will be attended by heads of states. Can you clarify what is the role of these two things, one is ministerial the other one is president and what is going to be discussing in terms of the FTAA. The second question has more to do with a pre-nuptial issue, Secretary Dervez told us this morning that he was going to discuss the sugar dispute the United States and Mexico with Ambassador Zoellick. Do you know anything about what was discussed because we understand that Mexico sent up a proposal for an incremental quota but that Derbez said that he was waiting for the answer from Ambassador Zoellick.

Senior U.S. Trade Official:

Ok, first of all the relationship between the FTAA and ministerial in Miami and then the summit. The ministerial is trade Ministers getting together and that is something that has been scheduled for some time in the sense that every twelve months or fifteen months, the Ministers get together to give direction to the next phase of the negotiations. So this is the follow-up Ministerial to the one we had in Quito and that would have been, I want to say April of last year, no I'm sorry it was November of last year. So that's part of the normal process of the FTAA negotiations, the Summits, which by definition are leaders. Those happen less frequently, the last one was in April of 2001 in Quebec City. They will deal with a much broader range of subjects presumably and I don't know that the agenda for that has been set yet so we don't know what will be the nature of their treatment of the FTAA. Part of it of course, a big part of it will depend on what happens between now and then. So its premature to say with any specificity the degree to which they will address that and then exactly how they will.

Q: My question on the sugar agreement with the United States please.

Senior U.S. Trade Official:

Oh I'm sorry, I don't know whether Ambassador Zoellick had a chance to talk with Secretary Derbez about that. Secretary Derbez got here late, we knew that was going to be the case, and so I don't know if he has had a chance to talk to him about that.

Q: Chris Rugaber BNA, Can you say whether or not certain subjects such as agriculture or intellectual property were divided up into different talks, were there any talks along those lines?

Senior U.S. Trade Official:

There was no allocation of subjects among negotiating channels. They were not discussing things with that degree of detail.

Q: Bause from Brazilian Valor Economico, what is the position of the UN regarding the decisions made by the Brazilian ministry to build some of the issues to the WTO process?

Senior U.S. Trade Official:

Well at this point we are as with the other Ministers, we are on a listening mode. We are listening to what other countries views are and what their suggestions are. None of the Ministers were giving responses, formal responses to what the other Ministers were saying. They were listening, they were asking questions to understand, and that is what we and others did with the presentation by Minister Amerim and with each other. The nature of this meeting is not to put forward formal proposals and get formal responses.

Q: Will this issue be addressed by Zoellick in the next financial meeting?

Senior U.S. Trade Official:

Well, we always include that in aspects of the FTAA and our bilaterals with Brazil particularly since they are our co chairs. In any bilateral that Ambassador Zoellick has for example when he will meet with Caribbean Ministers on July the 2nd we'll have a very thorough discussion of the FTAA including together reflecting on what the other Ministers said here today.

Q: Marty Cressinger with the AP, could you tell us what the next step is now, is it this working group, how do you prepare for Miami?

Senior U.S. Trade Official:

The way we are preparing for Miami is basically centered in the meetings of the trade negotiating committee which is held at the vice Ministers level and the next one of those is July 7th through 11th, in El Salvador. Obviously there will be many bilateral meetings of Ministers between now and Miami and at each meeting you can be sure that we will be discussing where we are in the FTAA at that moment.

Q: Campion Walsh, Dow Jones, you said you didn't get down to details on issues like agriculture but in the case of agriculture can you say whether is a general sense that the group is waiting for WTO action before it addresses the issue?

Senior U.S. Trade Official:

Well people certainly see the linkage at least especially with respect to the domestic support issue, linkage between the WTO negotiations and the FTAA because I think all countries recognize that is a global problem. And so there is very keen interest in what is going to happen in the WTO and of course most immediately what sort of flexibility the European Union will have.

Q: Laura Bonilla with Agence France Press, does the US agree with the Brazilian position of leaving the most difficult issues for the WTO [inaudible]

Senior U.S. Trade Official:

Our view on the WTO, it's not a question of what are the most difficult issues, it has to do more with the logic of an individual issue. Specifically, whether you can come up with a solution to a problem, a solution that applies only to our hemisphere. And just to give you examples, obviously we can eliminate tariffs among us in the hemisphere and we still maintain our tariffs vis a vis the rest of the world so there on that part of it. you can come up with a hemispheric regional solution. On something like domestic support where the greatest domestic support are not provided by countries in this hemisphere they are provided by the European Union, you can't solve the problem by only a regional solution so that is why for example we and Canada believe that the place you solve domestic support is in the WTO. Its not that we're trying to avoid a difficult issue, we want to get a solution, the question is how you get it best. So that's our view on this question of the linkage between the WTO and FTAA. I think we can do two more questions.

Q: Pablo Sotero, Give an example, a recent example of something on the WTO context?

Senior U.S. Trade Official:

You could certainly have any of the market access issues you could apply in a regional context. I mean that's the whole notion of a free trade area. So whether its in goods or in services or in government procurement, you can do that on a hemispheric basis and confine the benefits to the hemisphere. So I think that's the clearest example Pablo.

Ricardo Reyes:

Lets take one more question again for those who joined us late I would like to remind everyone again this call will be background as a Senior US trade official and we'll take one last question.

Q: Corey Henry, Inside US Trade, I'm just wondering whether or not the US and Brazil had an opportunity in the Ministerial to further flesh out how you are planning to re-energize to four plus one process that had been discussed during Ambassador Zoellick's trip to Brazil a few weeks ago?

Senior U.S. Trade Official:

We had some discussion on that. Minister Amorim and Ambassador Zoellick met on Thursday afternoon before we came out here. We don't have any specific events scheduled in the four plus one context, but we are in contact with each other on a daily basis as co-chairs so we will certainly follow up on that.

Ricardo Reyes:

Thank you very much for joining us this afternoon, again the call is on background as a Senior US Trade Official.

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